

PZ Cussons says inflation added £40m to prices this year

Imperial Leather and Carex maker [PZ Cussons](#) has reported a drop in annual profits as it said cost inflation and the impact of consumer cutbacks impacted its performance.

The business posted pre-tax profits of £66.6 million for the year to May 31, a 2.9% drop from £68.6 million a year ago. However, profits were ahead of market expectations, the group said.

It also saw its revenues ease back from £603 million to £593 million over the year.

Cost inflation hit record levels with raw material prices and freight costs spiking, leading to an around 11% increase in the cost of sales compared to the prior year – or £40 million more – PZ Cussons said.

However, the group said it was able to offset price rises by pushing through price changes and cost initiatives throughout the year.

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Rising prices also had a knock-on impact on consumer spending with households facing squeezed budgets against higher living costs.

The company said it is working hard to avoid passing higher costs of logistics and supply chains on to consumers.

Chief executive Jonathan Myers said: “PZ Cussons has delivered a resilient performance over the past year, against the backdrop of challenging conditions in our markets.

“We have achieved this through our strategy to invest in our brands, focusing on the core categories.

“While there is plenty more to do and the external environment remains challenging, we have made a good start to the current financial year and continue to see significant long-term opportunities ahead as we build towards a higher growth, higher margin, simpler and more sustainable business.”

The business said it expects to deliver its next full-year results in line with expectations, despite the challenging economic environment.